of purchase of new rolling stock. The Sinking Fund balance now amounts to Rs. 29¼ lakhs and almost the whole of this amount is invested in Government of India securities as follows:—

Rs. 5 lakhs in the 6 per cent. loan of 1931.
Rs. 16 lakhs „ 5 per cent. „ 1945-55.
Rs. 8 lakhs „ 5 per cent. „ 1929-47.

It is proposed that the above investments when they fall due, and all future amounts to be set apart for this purpose, as also the interest on the above and all subsequent investments, should be invested in securities yielding not less than 5 per cent. interest per annum, and that, if in any case the investments will not yield 5 per cent. interest, the balance should be made good by the Government. Calculated on this basis, it has been found that, by setting apart a sum of Rs. 1¼ lakhs annually for this Fund, we would be making ample provision for the repayment of Rs. 133½ lakhs in 1945. If the liability be added to later on, further provision will, of course, have to be made under Sinking Fund.

Capital expenditure not charged to Revenue.

10. In the budget of the current year we provided Rs. 1 lakh in connection with certain additional works to be carried out on the Quilon-Trivandrum Railway. The actual expenditure is, however, estimated to be only Rs. 62,000. For 1099 the Railway Company has asked for Rs. 48,900 and this has been provided.

Cash Balance.

11. Lastly, I would refer to our cash position. The opening balance of the current year was estimated at Rs. 44¾ lakhs and the closing balance at Rs. 42½ lakhs. The actual opening balance was a few thousands more than the estimate. The ordinary and capital account transactions of the year are expected to result in a surplus of Rs. 6½ lakhs. During the year we advanced Rs. 3 lakhs on account of our share in carrying out the experimental works connected with the Cochin Harbour Scheme and we also invested Rs. 15 lakhs out of the Government surplus and the Sinking Fund balances. The net result of the other debt head transactions is an addition to cash of Rs. 7¼ lakhs. Thus the closing cash balance of the year is expected to amount to Rs. 40½ lakhs. In 1099 we anticipate a revenue surplus of Rs. 2 lakhs and a net receipt of Rs. 3¾ lakhs under Debt transactions. Deducting Rs. ½ lakh being the probable outlay on capital works not charged to revenue, the closing cash balance of 1099 is expected to be about Rs. 45¾ lakhs.

PRESIDENT: The House will now adjourn and meet again on Thursday morning at 11-30.

The Council adjourned at 12-15 P. M.

S. PARAMESAVARA AIYAR,
Secretary to the Legislative Council.

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